



ASSURANT

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February 23, 2011

General Law Committee  
300 Capitol Avenue, Room 5100  
Hartford, CT 06106

RE: House Bill 6300

Dear Committee Members:

Thank you for this opportunity to comment on House Bill 6300. Assurant Preneed-Division is a trade name for a group of companies that include American Memorial Life Insurance Company (AMIC). AMIC writes life insurance to fund preneed funeral arrangements in several states including Connecticut.

Our understanding is that the Connecticut Funeral Directors Association ("CFDA") and the Department of Social Services ("DSS") worked together to create House Bill 6300 with good intentions to help resolve issues regarding prearranged funeral service contracts and Medicaid qualifications. While the intent is understood, this bill does not appear to resolve the issues and has the unintended effect of placing life insurance under the preneed funeral law.

The current bill would inappropriately bring insurance funded prearranged funeral agreements under the preneed funeral law, even though these agreements do not involve any payment of money to the funeral home for goods and/or services. Insurance policies that fund prearranged funeral service contracts are already well regulated under the insurance laws by the Department of Insurance. In support of maintaining current regulatory scheme for insurance funded preneed funeral arrangements we support the following changes:

- a. House Bill 6300 be amended to include an "exemption" for insurance policies that fund prearranged funeral service contracts by adding the following language to Section 42-200;

"Nothing in this act shall regulate or prohibit: (1) any prearranged funeral agreement which is funded through the assignment of the death benefit payable under a life insurance policy or an annuity contract where a licensed funeral director or funeral service establishment does not receive payment for the goods and services specified in the agreement until after such goods and services have been provided or (2) any irrevocable transfer of the ownership of a life insurance policy or an annuity contract to a licensed funeral service establishment to fund a prearranged funeral agreement where the funeral service establishment immediately transfers such ownership to a third-party trust for the purpose of qualifying for governmental assistance."

- b. Remove all references to insurance funding and assignment of insurance for funding of prearranged funeral service contracts, except for references to a "licensed insurance company" in Subsection 42-202(b) and to "insurance contracts" in Subsection 42-202(c) as they have to do with escrow accounts and are not with insurance-funded prearranged funeral programs.

Please contact me with any comments or concerns. I can be reached at the address on the letterhead or at [barbara.hollonquest-peterson@assurant.com](mailto:barbara.hollonquest-peterson@assurant.com)

Thank you,



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